Message Text

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ACTION EB-11

INFO OCT-01 EA-11 ISO-00 L-03 CAB-09 CIAE-00 COME-00

DODE-00 INR-10 NSAE-00 RSC-01 FAA-00 AID-20 FTC-01

PA-04 PRS-01 USIA-15 DRC-01 /088 W

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E.O. 16652: NA

TAGS: EFIN, ECON, TH

SUBJECT: CONTINUED CRITICISM OF NORTHROP SECOND INTERNATIONAL

AIRPORT CONTRACT

REF: BANGKOK 19665

1. BEGIN UNCLASSIFIED. PRESS AND STUDENT GROUPS HAVE EXPRESSED CRITICISM OF RTG'S RECENT ACTION TO PROCEED WITH NORTHROP CONTRACT (REFTEL). NATION EDITORIAL STRONGLY OPPOSED SECOND AIRPORT AS BEING PROPOSED AT WRONG TIME AND IN WRONG PLACE. CITED DEFENSE MINISTER'S STATEMENT TO EFFECT THAT ALL MILITARY FORCES WOULD BE REMOVED FROM BANGKOK AS ADDITIONAL SUPPORT FOR VIEW THAT PRESENT AIRPORT COULD BE EXPANDED TO MEET FUTURE NEEDS AT FRACTION OF COST OF BUILDING NEW AIRPORT. OTHER PRESS ARTICLES IN NON-ENGLISH LANGUAGE PRESS ALSO CRITICAL OF GOVERNMENT'S ACTION. HOWEVER, BANGKOK POST OVER PAST SEVERAL WEEKS HAS EXPRESSED SUPPORT FOR NORTHROP CONTRACT.

2. POST DECEMBER 28 REPORTED THAT STUDENTS FROM SIX EDUCATIONSL INSITUTIONS AGREED AT MEETING DECEMBER 27 TO SEND LETTER OF PROTEST TO GOVERNMENT OVER NORTHROP CONTRACT. HOWEVER, BODY OF ARTICLE THAT SUMMARIZES LETTER DOES NOT EXPRESS FLAT OPPOSITION TO AIRPORT BUT RATHER ASKS FOR CAREFUL RTG REVIEW OF CONTRACT AND ALSO SCRUTINY LIMITED OFFICIAL USE

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OF IT BY NEWLY SELECTED NATIONAL ASSEMBLY. LATTER POINT HAD PRE-

VIOUSLY BEEN MADE BY OTHER THAIS AS WELL. END UNCLASSIFIED.

3. BEGIN LIMITED OFFICIAL USE. MINISTRY OF COMMUNICATIONS OFFICIALS WHO HAS BEEN INVOLVED IN RTG NEGOTIATIONS WITH NORTHROP TOLD ECON/CML COUNSELOR THAT GOVERNMENT HAD AGREED TO REPAY OUT OF OPERATING INCOMEUNPAID DEBTS OF AIRPORT COMPANY IN EVENT GOVERNMENT EXERCISED ITS RIGHT OF TAKE OVER OF CONTRACT UNDER DEFAULT CLAUSES. MENTIONED NO PERCENTAGE SPLIT OF AIRPORT INCOME BETWEEN DEBT REPAYMENT AND OPERATING EXPENSES, AS HAD BEEN DISCUSSED FEW MONTHS AGO. ALSO STATED THAT RTG HAD NOW TAKEN ITS LAST ACTION ON SUBJECT OF DEBT REPAYMENT IN EVENT OF DEFAULT, AND THAT RESPONSIBILITY NOW ON NORTHROP TO SATISFY ITS PROSPECTIVE CREDITORS.

4. COMMENT. GIVEN PROLONGED AND STORMYHISTORY OF SECOND AIRPORT CONTRACT, A FEW CAVEATS ARE STILL WARRANTED ABOUT ITS EVENTUAL IMPLEMENTATION. HOWEVER, GOVERNMENT'S ACTION ON DEBT REPAYMENT PROPOSAL DESPITE KNOWN AND LONG STANDING OPPOSITION IN VARIOUS SECTORS ON THIS POINT IN PARTICULAR, BOTH INSIDE AND OUT THE GOVERNMENT, SHOULD MEAN THAT CONSTUCTION CAN BEGIN IF NORTHROP SUCCESSFUL IN CAPITALIZING ON THE PRELIMINARY COMMITMENTS IT HAS RECEIVED FROM VARIOUS LENDING AGENCIES. END LIMITED OFFICIAL USE. KINTNER

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Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

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Concepts: CONSTRUCTION, PRESS COMMENTS, CIVIL AVIATION, DEBT REPAYMENTS, AIRPORTS, CONTRACTS, LOANS, STUDENT DEMONSTRATIONS, STUDENT GROUPS

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Previous Handling Restrictions: n/a Reference: BANGKOK 19665 Review Action: RELEASED, APPROVED

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Subject: CONTINUED CRITICISM OF NORTHROP SECOND INTERNATIONAL AIRPORT CONTRACT TAGS: EFIN, ECON, TH, NORTHROP To: STATE

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